

# SENATE RECORD VOTE ANALYSIS

104th Congress  
2nd Session

Vote No. 167

June 20, 1996, 2:41 p.m.  
Page S-6585 Temp. Record

## RIVLIN NOMINATION/Federal Reserve Board Member and Vice Chairman

**SUBJECT:** Nomination of Alice M. Rivlin, of Pennsylvania, to be a Member of the Board of Governors of the Federal Reserve System for a term of 14 years from 2-1-1996, and Vice Chairman of the Board of Governors of the Federal Reserve System for a term of 4 years.

### ACTION: NOMINATION CONFIRMED, 57-41

**SYNOPSIS:** Alice Rivlin was born March 4, 1931, in Philadelphia, Pennsylvania. She received a B.A. in economics from Bryn Mawr College in 1952, an M.A. in economics from Radcliffe College in 1955, and a Ph.D. in economics from Radcliffe College in 1958. Her employment history is as follows: 1958-1966, Economist, Economic Studies Program, Brookings Institution; 1961-1962, Staff Member, Advisory Commission on Intergovernmental Relations (on leave from the Brookings Institution); 1968-1969, Assistant Secretary for Planning and Evaluation, U.S. Department of Health, Education, Welfare; 1969-1975, Senior Fellow, Economic Studies Program, Brookings Institution; 1971, Editorial Writer, Washington Post (on 4 months leave from the Brookings Institution); 1975-1983, Director, Congressional Budget Office; 1983-1987, Director, Economic Studies, Brookings Institution; 1987-1993, Senior Fellow, Economic Studies, Brookings Institution; Spring 1988, Visiting Professor, John F. Kennedy School of Government, Harvard University; 1992, Hirst Professor of Public Policy, George Mason University (on leave from the Brookings Institution); 1993-1994, Deputy Director, Office of Management and Budget; and 1994-present, Director, Office of Management and Budget.

**Those favoring** confirmation contended:

Alice Rivlin has enjoyed a long and distinguished career in public service. She played a major role in building the Congressional Budget Office, and is currently serving with distinction as the Director of the Office of Management and Budget. She has built a solid reputation as an advocate for fiscal integrity and as someone who will bluntly tell the truth, regardless of the political consequences. We are certain she will serve equally well as a Member of the Federal Reserve, and thus urge her confirmation.

(See other side)

YEAS (57)			NAYS (41)		NOT VOTING (2)	
Republicans (11 or 21%)	Democrats (46 or 100%)		Republicans (41 or 79%)	Democrats (0 or 0%)	Republicans (1)	Democrats (1)
Chafee	Akaka	Johnston	Abraham	Hatch	Grams- <sup>2</sup>	Bumpers- <sup>2</sup>
Domenici	Baucus	Kennedy	Ashcroft	Helms		
Frist	Biden	Kerrey	Bennett	Hutchison		
Hatfield	Bingaman	Kerry	Bond	Inhofe		
Jeffords	Boxer	Kohl	Brown	Kempthorne		
Kassebaum	Bradley	Lautenberg	Burns	Kyl		
Lugar	Breaux	Leahy	Campbell	Lott		
Roth	Bryan	Levin	Coats	Mack		
Simpson	Byrd	Lieberman	Cochran	McCain		
Snowe	Conrad	Mikulski	Cohen	McConnell		
Specter	Daschle	Moseley-Braun	Coverdell	Murkowski		
	Dodd	Moynihan	Craig	Nickles		
	Dorgan	Murray	D'Amato	Pressler		
	Exon	Nunn	DeWine	Santorum		
	Feingold	Pell	Faircloth	Shelby		
	Feinstein	Pryor	Frahm	Smith		
	Ford	Reid	Gorton	Stevens		
	Glenn	Robb	Gramm	Thomas		
	Graham	Rockefeller	Grassley	Thompson		
	Harkin	Sarbanes	Gregg	Thurmond		
	Heflin	Simon		Warner		
	Hollings	Wellstone				
	Inouye	Wyden				

#### EXPLANATION OF ABSENCE:

1—Official Business  
2—Necessarily Absent  
3—Illness  
4—Other

#### SYMBOLS:

AY—Announced Yea  
AN—Announced Nay  
PY—Paired Yea  
PN—Paired Nay

Compiled and written by the staff of the Republican Policy Committee—Larry E. Craig, Chairman

**Those opposing** confirmation contended:

## Argument 1:

If Alice Rivlin had been nominated just a few months ago, we suspect that she would have been confirmed unanimously. It is just her highly dishonest actions within the past few months regarding the President's gimmick budget that now make it impossible for us to support her. If she is willing to play political games with the economic future of all Americans when she is in charge of fiscal policy, we have no reason to believe that she will not do the same with monetary policy. No Senator should take the chance that her actions of the past few months are anomalous. America's fiscal policy is a shambles due to the type of political games that Alice Rivlin has been playing recently, but its monetary policy is remarkably sound. Under the steady hand of Alan Greenspan, the Federal Reserve has held inflation in check and has guided the country into levels of full employment that were previously thought impossible to achieve. These results have been achieved in spite of irresponsible fiscal policies. If it were not for the careful, nonpolitical actions of the Federal Reserve, the United States could well have already been bankrupted years ago.

Until the past few months, Alice Rivlin separated her ideology from her professional judgment. This year, though, she sacrificed the truth to political expediency. President Clinton, in an election year, wanted to be able to claim that he had a plan to balance the budget by 2002, but, in an election year, he did not want to have to make any of the hard spending choices that such a plan would entail because doing so would anger the special interest groups that support him. Therefore, the Office of Management and Budget, under Alice Rivlin's direction, submitted two budget documents. First, it submitted a detailed budget plan that was \$84 billion out of balance in 2002, and then it submitted a budget without any details that showed that massive cuts would be made in domestic discretionary spending in years 2001 and 2002. In 2001, it indicated that total domestic discretionary spending would be cut by 10 percent, and in 2002 it would be cut by 18 percent. This budget plan, without any details indicating what the President and Alice Rivlin thought a future Congress and a future President should cut in those years, was scored by the Congressional Budget Office (CBO) as being in balance. When the President and congressional Democrats talk about specific spending, they talk about the detailed budget plan, and when they talk about the President having a "balanced" budget proposal, they talk about his plan with the enormous unspecified cuts in 2001 and 2002. To justify this double-book accounting for the entire U.S. budget, Alice Rivlin put a "trigger" in the detailed budget plan, that said that she and the President figured that somehow an extra \$84 billion would become available to spend in 2002, so the numbers would not be changed, but that if it did not become available, then cuts would be made.

This trigger gimmick is bad enough, but the plan, and Alice Rivlin's defense of it, gets even worse. The President's detailed budget plan raises spending for the Veterans' Administration in fiscal year 1997, the election year, and then proposes steep cuts, from \$17 billion in FY 1997 to \$13 billion in 2000, before the trigger even hits. We recall vividly how the Secretary of the Veterans' Administration flew around the country last year making histrionic political speeches against the Republicans' plan to keep VA spending flat instead of increasing it. Therefore, we were interested in hearing what the Secretary thought of the President's plan to make huge cuts in the VA budget, even before the trigger slashed it. We were stunned to hear from him that the OMB had assured him not to worry; those cuts would not be made. The OMB told him that the Clinton Administration had absolutely no intention of following the budget numbers that it had told Congress that it was going to follow. After that episode, we called in the head of the National Aeronautics and Space Administration (NASA), and asked him how his agency planned to deal with the Clinton Administration's budget proposal to cut \$3 billion out of its budget. He also told us that the OMB had told him not to develop any proposals for making those cuts, because the Administration had absolutely no intention of making them. Subsequently, the Administrator of the Environmental Protection Agency told us that she had been told that the proposed cuts in her agency were not real, and the Secretary of Health and Human Services also said that she had been told by the OMB that "I have been assured that my agency will not be cut." Every single agency official we have questioned has told us that they not only do not need to plan to make the giant, unspecified trigger cuts in FYs 2001 and 2002, they do not even have to plan for the specified cuts in the budget proposal for FYs 1998-2000. In other words, the only numbers in the Clinton Administration budget that have any validity are the 1997 numbers, which show large increases in social spending, no real entitlement reform, and large cuts in defense spending.

Alice Rivlin has submitted a budget that she has told all Federal agencies to ignore. Its sole purpose is to trick the voters into believing that the President has made an honest proposal to balance the budget. She has subverted her professional ethics for partisan political reasons. If we put her on the Federal Reserve Board, we have no reason to believe she will not politicize monetary policy. We do not trust her, and therefore urge our colleagues to join us in voting against her confirmation.

## Argument 2:

Everything our colleagues have said about the President's budget is true. However, the fault does not lie with the Director of the OMB. She, in effect, is the messenger. Still, we intend to vote against her. The reason is that we have limited means of letting the American people know that the President broke his word on balancing the budget and that he is doing everything in his power to hide that fact. Voting against Alice Rivlin will send a very public protest against the President for his refusal to submit an honest balanced

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budget proposal. We urge our colleagues to join us in sending this protest message.